

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF MEETING, Public Session

March 8, 2007

Call To Order: Chairman Ross Johnson called the meeting to order at 10:00 a.m., at 428 J Street, Eighth Floor, Sacramento, California. Chairman Johnson, and Commissioners Timothy A. Hodson, Gene Huguenin, Bob Leidigh, and Ray Remy were present. Chairman Johnson introduced and welcomed the Commission's newest member, Timothy A. Hodson.

Item #1. Public Comment. This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff.

There was no public comment.

Item #2. Resolution of the Commission Honoring the Service of Liane Randolph to the State of California.

Moved by Commissioner Huguenin and seconded by Commissioner Remy to adopt a resolution honoring former Commission Chairman Liane Randolph's service to the State of California.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #3. Resolution of the Commission Honoring the Service of Phil Blair to the State of California.

Moved by Commissioner Leidigh and seconded by Commissioner Remy to adopt a resolution honoring former Commissioner Phil Blair's service to the State of California.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #4. Resolution of the Commission Honoring the Service of Sheridan Downey to the State of California.

Moved by Commissioner Leidigh and seconded by Commissioner Remy to adopt a resolution honoring former Commissioner Sheridan Downey's service to the State of California.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #5. Approval of the February 8, 2007, Commission meeting minutes.

Moved by Commissioner Remy and seconded by Commissioner Leidigh to adopt the February 8, 2007, minutes.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #6. In the Matter of Heather Fargo, FPPC No. 04-071. Staff: Senior Commission Counsel Melodee A. Mathay and Supervising Investigator Dennis Pellón. Respondent Heather Fargo, Mayor of Sacramento, failed to timely disclose a source of income on her candidate and 2003 annual statements of economic interests filed on or about December 5, 2003, and April 1, 2004, in violation of subdivision (a) of Section 87207 of the Government Code (1 count).

Commissioner Leidigh had requested that this matter be removed from the Consent Items and discussed. He expressed his support for the staff's overall resolution of the matter, but also expressed his concern that the Factors in Mitigation should not be based upon the fact that the unreported information might be available from public sources. He stated that he did not want this stipulation to set a precedent in that regard to be used by respondents in other cases as mitigation for non-reporting. Enforcement Chief Bill Williams assured him that it would not set a precedent. Chairman Johnson agreed with Commissioner Leidigh that it should not.

Moved by Commissioner Hodson and seconded by Commissioner Huguenin to approve two thousand dollars (\$2,000) monetary penalty. Respondent agrees to the issuance of the decision and order.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #7. In the Matter of Bettina Experton, FPPC No. 06-0606. Staff: Political Reform Consultant Jeanette Turvill. Bettina Experton, a member of the City of Del Mar's Finance Committee, failed to timely file a 2005 annual statement of economic interests in violation of Section 87300 of the Government Code (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve one hundred dollars (\$100) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #8. Failure to Timely File Major Donor Campaign Statements. Staff: Chief Investigator Sue Straine and Political Reform Consultant Mary Ann Kvasager. The following persons and entities have entered into a stipulation for failing to file major donor campaign statements that were due during calendar years 2004 and 2006 in violation of Section 84200 of the Government Code:

- a. In the Matter of Mountain View EPMG, Inc., FPPC No. 06-0621.** Mountain View EPMG, Inc., of Yucaipa failed to timely file a semi-annual campaign statement disclosing contributions totaling \$12,000 in 2004 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve four hundred dollars (\$400) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

b. In the Matter of Pineda Rehabilitation Services, Inc., FPPC No. 06-0694.

Pineda Rehabilitation Services, Inc., of El Monte failed to timely file a semi-annual campaign statement disclosing contributions totaling \$10,000 in 2004 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Huguenin that the Enforcement Division would insert a parenthetical phrase in the "Description of Violation" area stating that it is a second contact of violation to avoid any confusion with a respondent that receives any additional enhancements.

Moved by Commissioner Remy and seconded by Commissioner Huguenin to approve eight hundred dollars (\$800) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

c. In the Matter of Rebecca Lewis, FPPC No. 06-0925. Rebecca Lewis of Newport Beach failed to timely file a semi-annual campaign statement disclosing contributions totaling \$22,300 in 2006 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve four hundred dollars (\$400) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

d. In the Matter of San Diego State University Foundation, FPPC No. 06-1118. San Diego State University Foundation, located in San Diego, failed to file a semi-annual campaign statement disclosing contributions totaling \$23,000 in 2006 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve four hundred dollars (\$400) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #9. Failure to Timely File Late Contribution Reports – Proactive Program. Staff: Chief Investigator Sue Straine and Political Reform Consultant Mary Ann Kvasager. The following entity has entered into a stipulation for failure to file a late contribution report in 2004 in violation of Section 84203 of the Government Code:

a. In the Matter of Apartment Association Political Action Committee, FPPC No. 06-0785. Apartment Association Political Action Committee of Los Angeles failed to timely disclose late contributions totaling \$19,454.74 (5 counts).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve two thousand nine hundred eighteen dollars and twenty-one cents (\$2,918.21) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

ACTION ITEMS

Adoption of Regulations

Item #10. Adoption of Proposed Amendment to the Recordkeeping Requirements: Electronically Processed Checks – Regulation 18401. Staff: Commission Counsel Valentina Joyce and General Counsel Luisa Menchaca. A modification to the record maintenance requirement of regulation 18401(a)(4)(B) requiring retention of “cancelled checks” is proposed for adoption that would allow retention of copies of cancelled checks obtained from financial institutions in lieu of original cancelled checks.

Moved by Commissioner Huguenin and seconded by Commissioner Leidigh to adopt Item #10. AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #11. Adoption of Amendment to Regulation 18944.2 – Gifts to an Agency. Staff: Commission Counsel Brian G. Lau and General Counsel Luisa Menchaca. The Commission is considering an amendment to regulation 18944.2 relating to gifts made to a public official’s agency. This amendment is proposed to clarify that a gift may still fall within the purview of regulation 18944.2, and be considered a gift to an agency, even when a donor makes a monetary payment for goods or services directly to the vendor of the goods or services so long as the agency receives and controls the use of the goods or services. The Commission is also considering adding language expressly prohibiting a gift to an agency if the gift unusually benefits an official and prohibiting a donor from designating the class of officials who should use the gift.

Moved by Commissioner Huguenin and seconded by Commissioner Leidigh to put the entire matter over for further study.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #12. March 2007 Work Plan Revisions. Staff: Assistant General Counsel John W. Wallace and General Counsel Luisa Menchaca. The Commission will consider various revisions to the 2007 regulatory calendar.

Moved by Commissioner Hodson and seconded by Commissioner Huguenin to have John Wallace, Assistant General Counsel, Legal Division, further expand on this item for the next regulation calendar, including issues raised by Commissioner Leidigh on procedural steps Commissioners need to take to add future workplans to the calendar.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

DISCUSSION ITEMS

Item #13. Legislative Report. Staff: Legislative and Communications Coordinator Whitney Barazoto and Executive Director Mark Krausse.

There was no discussion.

Item #14. Executive Director’s Report. Staff: Executive Director Mark Krausse.

Chairman Johnson announced that Mark Krausse, Executive Director, has expressed a desire to returned to the Enforcement Division.

Item #15. Litigation Report. Staff: General Counsel Luisa Menchaca.

Chairman Johnson announced that Luisa Menchaca has expressed a desire to step down from her position as General Counsel. He expressed appreciation for Ms. Menchaca's outstanding job performance and long service to the Commission.

The meeting was adjourned at 11:05 a.m.

Dated: April 12, 2007

Respectfully submitted,

Kim Truong
Commission Assistant

Approved by:

Ross Johnson
Chairman